



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

JUL - 9 2003

*Administrator*

Washington, DC 20201

Mr. Philip Soule  
Deputy Director, Medical Services  
Department of Health and Social Services  
P.O. Box 906, Lewis Building  
1901 North DuPont Highway  
New Castle, DE 19720

Dear Mr. Soule:

I am responding to your application for a Pharmacy Plus section 1115 demonstration project No. 11-W-00170/3, entitled "Delaware Pharmacy Assistance Program," which would provide a pharmacy-only benefit to aged and disabled individuals with incomes at or below 200 percent of the Federal poverty level (FPL) or to those with incomes over 200 percent of the FPL with prescription expenses exceeding 40 percent of income. After extensive review of this proposal by the Department of Health and Human Services, I regret to inform you that we are not approving this demonstration.

The Centers for Medicare & Medicaid Services (CMS) is committed to expanding the availability of pharmacy benefits for lower-income elderly and disabled individuals. However, we are unable to approve the Delaware Pharmacy Assistance Program under the Pharmacy Plus demonstration, since we have determined that this demonstration, as proposed, is not likely to assist in promoting the objectives of the Medicaid program.

The main objective of a Pharmacy Plus demonstration is to provide drug coverage assistance and primary care services to low-income aged and disabled beneficiaries. By providing this coverage, states reduce the likelihood that these individuals may become Medicaid eligible. This in turn results in savings to the Medicaid program. Because the State of Delaware already provides drug benefits under its State-only pharmacy program to the proposed Pharmacy Plus demonstration population, CMS has determined that the State cannot demonstrate that Delaware Pharmacy Assistance Program is likely to assist in promoting the objectives of the Medicaid program.

As a result of these concerns, we are not able to approve your request. If you have any questions, please call Larry Reed, Co-Director, Medicaid Pharmacy Team at (410) 786-3325, or Deirdre Duzor, Co-Director, Medicaid Pharmacy Team at (410) 786-4626.

Sincerely,

Thomas A. Scully